

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005

Prepared by: Kay M. Okimoto

Phone: 586-2831

Name of Fund: Professional, Vocational, & Personal Svs

Legal Authority: Act 154, SLH 2004

Fund Type (MOF): Special (B)

Approp. Acct. No. S-330-R

**Intended Purpose:** To appropriate funds to support the operations of the Professional and Vocational Licensing Division (S-305-R).

**Current Program Activities:** Funds appropriated for FY 04-05 for increases in fringe benefit costs.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		0
Beginning Encumbrances		
Revenues		
Expenditures	60,960	
Transfers (List Each Transfer by JV# and Date)		
JS1485 9/22/04	14,953	
JS2850 12/17/04	14,953	
JS4324 3/24/05	15,525	
JS6098 6/24/05	15,529	
Net Total Transfers	60,960	
Amount Derived from Bond Proceeds		
Ending Cash Balance	0	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Opr. Central Svc. Exp of the CRF

Legal Authority: Act 179, 2003

Fund Type (MOF): Special (B)

Approp. Acct. No. S-327-R

**Intended Purpose:** For the central services expense of the Compliance Resolution Fund.

**Current Program Activities:** See above information.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		
Beginning Encumbrances		
Revenues		
Expenditures	1,302,685	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	232,796	
JM3200 12/31/04	402,713	
JM4919 3/31/05	267,593	
JM6963 6/30/05	399,583	
Net Total Transfers	1,302,685	
Amount Derived from Bond Proceeds		
Ending Cash Balance		
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: CRF-Office of Consumer Protection

Legal Authority: 487-2, HRS

Fund Type (MOF): B

Approp. Acct. No. S-323-R

**Intended Purpose:** To protect Hawaii consumers utilizing investigative resources, civil enforcement actions and consumer education.

**Current Program Activities:** OCP receives and investigates consumer complaints, provides consumer education to the public through oral presentations and the dissemination of consumer literature, and enforces consumer protection laws through legal process coordinated by its attorneys.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	1,166,570	481,629
Beginning Encumbrances		18,684
Revenues	272,518	
Expenditures	1,116,132	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(8,830)	
JM3200 12/31/04	(405)	
JM4919 3/31/05	(367)	
JM6963 6/30/05	(3,869)	
JS2851 12/17/04	86,070	
JS5252 5/12/05	86,070	
JS2902 12/22/04	4	
Net Total Transfers	158,673	
Amount Derived from Bond Proceeds		
Ending Cash Balance	481,629	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: CRF-Financial Institutions

Legal Authority: 412:2-109 and 26-9(o)

Fund Type (MOF): Special (B)

Approp. Acct. No. S-320-R

**Intended Purpose:** To allow the Commissioner to appoint financial institutions examiners to examine the affairs of financial institutions, to appoint any necessary administrative support personnel, and to pay for any expenses incurred during examinations or necessary for the education and training of personnel and other expenses related to examinations and administrative costs as well as to support the entire program of the Division of Financial Institutions.

**Current Program Activities:** Ensures the safety and soundness of state-chartered financial institutions by fairly administering applicable statutes and rules through a program of supervision and regulation through chartering or licensure, examination, application review, off-site monitoring, and complaint handling and is also responsible for the licensing and supervision of escrow depositories.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	3,950,422	3,969,835
Beginning Encumbrances		
Revenues	2,175,645	
Expenditures	1,735,981	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(1,088)	
JM3200 12/31/04	(1,689)	
JM4919 3/31/05	(1,528)	
JM6963 6/30/05	(103,974)	
JS2851 12/17/05	(155,986)	
JS5252 5/12/05	(155,986)	
Net Total Transfers	(420,251)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	3,969,835	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Captive Insurance Administrative Fund

Legal Authority: 431:19-101.8, HRS, Act 261, 1997 SLH; Act 131, SLH 1999;  
Act 1, 2005 Special Session

Fund Type (MOF): Special (B)

Approp. Acct. No. S-317-R

**Intended Purpose:** The fund shall be used to pay the costs incurred in administering captive insurance provisions of the Insurance Code.

**Current Program Activities:** Meet with prospective captive insurance companies and review licensing applications. Monitor, regulate, and examine captive insurance companies. Develop and promote the captive insurance industry.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	1,473,477	1,813,550
Beginning Encumbrances		
Revenues	1,963,550	
Expenditures	150,000	
Transfers (List Each Transfer by JV# and Date)		
JS4100 3/9/05	(1,473,477)	
Net Total Transfers	(1,473,477)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	1,813,550	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: CRF-Insurance Regulation Fund

Legal Authority: 431:2-215 & 431:2-216, HRS; Act 1, 2005 Special Session

Fund Type (MOF): B

Approp. Acct. No. S-313-R, S-329-R

**Intended Purpose:** The fund permits the Insurance Division to become self-sufficient and eliminates reliance on general funds and revolving funds administered by the Division.

**Current Program Activities:** Used to defray any administrative cost, including personnel cost, associated with all of the programs of the Insurance Division, and cost incurred by supporting offices and Divisions.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	8,152,712	6,866,098
Beginning Encumbrances		2,070,995
Revenues	4,028,968	
Expenditures	5,574,845	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(60,906)	
JM3200 12/31/04	(43,708)	
JM4919 3/31/05	(46,871)	
JM6963 6/30/05	(48,814)	
JS2851 12/17/04	(506,954)	
JS5252 5/12/05	(506,954)	
JS4100 3/9/05	1,473,477	
Net Total Transfers	259,270	
Amount Derived from Bond Proceeds		
Ending Cash Balance	6,866,098	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Compliance Resolution Fund-RICO

Legal Authority: 26-9(0)

Fund Type (MOF): B

Approp. Acct. No. S-312-R

**Intended Purpose:** Complaints receipt, mediation, arbitration, investigation and prosecution of matters in areas for which a license, registration or certificate is required from the Department or its boards, commissions or regulatory programs.

**Current Program Activities:** Complaints receipt, mediation, investigation, complaints resolution and prosecution related to licenses, registrations or certificates required from the Department or its boards, commissions or programs.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	6,192,218	7,306,911
Beginning Encumbrances		137,856
Revenues	5,791,527	
Expenditures	3,688,181	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(42,045)	
JM3200 12/31/04	(135,792)	
JM4919 3/31/05	(33,690)	
JM6963 6/30/05	(75,189)	
JS2851 12/17/04	(350,968)	
JS5252 5/12/05	(350,969)	
Net Total Transfers	(988,653)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	7,306,911	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: CRF-Business Registration Spec Handling Fund

Legal Authority: 415-128

Fund Type (MOF): B

Approp. Acct. No. S-311-R

**Intended Purpose:** To provide expedited service to those who wish to have faster service on the processing of the documents.

**Current Program Activities:** Provide for staffing of business registration assistants and other clerical staff to provide expedited service to the business community. Documents filed involve corporations, partnerships, limited liability companies, limited liability partnerships, limited partnerships, trade names, trademarks, service marks and certifications.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	5,924	0
Beginning Encumbrances		
Revenues		
Expenditures		
Transfers (List Each Transfer by JV# and Date)		
JS1574 9/30/04	(5,924)	
Net Total Transfers	(5,924)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	0	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		



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Name of Fund: Compliance Resolution Fund  
Legal Authority: 26-9(0)  
Fund Type (MOF): B  
Approp. Acct. No. S-310-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	2,522,505	2,326,521
Beginning Encumbrances		74,479
Revenues	73,748	
Expenditures	3,994,359	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(562)	
JM3200 12/31/04	(667)	
JM4919 3/3/05	(875)	
JM6963 6/30/05	(776)	
JS2851 12/17/04	1,863,754	
JS5252 5/12/05	1,863,753	
Net Total Transfers	3,724,627	
Amount Derived from Bond Proceeds		
Ending Cash Balance	2,326,521	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:**

To enhance program effectiveness and efficiency by providing direction and general supportive services.

**Current Program Activities:**

Provide general policy and administrative leadership, supervision and coordination of the various programs of the department. Provide individual programs with financial resources, budgetary direction and control necessary for their operation. Assist individual programs with the supply, development and maintenance of the human resources necessary for staffing their operations. Provide Director with staff assistance in the direction and supervision of the operating division; and provide centralized clerical services and relief necessary to support and supplement of the operating division. Plans, directs and coordinates the department's internal and external communications through the sharing and transfer of the information via various mediums. Directs the development, implementation and maintenance of computerized information systems capable to communicating and sharing data and information internally and externally. Administers a program for informed consumerism through the sharing and transfer of information departmentally and statewide. Provide specialized staff support to all divisions and boards by conducting hearings, as required, to insure impartial and informed treatment in resolving consumer complaints; and provides a means for prompt and fair disposition or settlement of medical tort claims or claims of professional negligence against an engineer, architect or surveyor licensed under Chapter 464, HRS.

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Name of Fund: Driver's Education Fund  
Legal Authority: 431:10C-115, HRS; 431:10G-107  
Fund Type (MOF): B  
Approp. Acct. No. S-309-R

**Intended Purpose:** Provide drivers training and education.

**Current Program Activities:** All collected revenues disbursed to the Judiciary, Department of Education (DOE), and Department of Transportation (DOT). Judiciary's funds are expended for the operations of the drivers' education program provided in section 286-128(m). DOE's funds support the drivers' education for high school students. The DOT uses its funds for the operation of a driver's education program for operators of motorcycles, motor scooters or similar vehicles.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	38,334	107,438
Beginning Encumbrances		
Revenues	2,469,104	
Expenditures	2,400,000	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	107,438	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Compliance Resolution Fund-Business Registration

Legal Authority: 26-9

Fund Type (MOF): B

Approp. Acct. No. S-306-R

**Intended Purpose:** To fund the operations of the Business Registration Division.

**Current Program Activities:** Register corporations, general partnerships, limited liability companies, limited liability partnerships, limited partnerships, limited liability limited partnerships, trade names, trademarks, and service marks and for the registration and compliance with other statutes and regulations administered by the Business Registration Division, such as Hawaii's uniform securities act.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	9,843,376	6,867,741
Beginning Encumbrances		491,836
Revenues	6,652,299	
Expenditures	4,457,451	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(59,109)	
JM3200 12/31/04	(69,100)	
JM4919 3/31/05	(141,593)	
JM6963 6/30/05	(65,672)	
JS2851 12/17/04	(370,466)	
JS5252 5/12/05	(370,467)	
JM2638 12/6/04	(4,100,000)	
JS1574 9/30/04	5,924	
Net Total Transfers	(5,170,483)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	6,867,741	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Compliance Resolution Fund-PVL

Legal Authority: 26-9

Fund Type (MOF): B

Approp. Acct. No. S-305-R

**Intended Purpose:** To fund the operations of the Professional and Vocational Licensing Division.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	5,375,782	6,147,376
Beginning Encumbrances		149,287
Revenues	5,547,876	
Expenditures	3,853,549	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(59,008)	
JM3200 12/31/04	(115,099)	
JM4919 3/31/05	(40,347)	
JM6963 6/30/05	(62,368)	
JS2851 12/17/04	(292,474)	
JS5252 5/12/05	(292,473)	
JS1485 9/22/04	(14,953)	
JS2850 12/17/04	(14,953)	
JS4324 3/24/05	(15,525)	
JS6098 6/24/05	(15,529)	
JS2902 12/22/04	(4)	
Net Total Transfers	(922,733)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	6,147,376	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Current Program Activities:** For 45 regulated areas - process applications for licensure, examine applicants, license, renew, update licensee files, provide information and guidance to the public, applicants and licensees regarding regulatory areas verbally and in writing, assist with or adopt or amend rules, propose and react to legislative measures, liaison between 25 regulatory boards and DCCA, conduct public meetings, public hearings, produce minutes, facilitate decision-making by the boards in ordering disciplinary action against a licensee and granting, denying or otherwise conditioning problematic license applications, network with outside entities for coordinated activities or keeping abreast of current trends, network with other State agencies for compliance (legislative auditor, ethics commission, procurement office).

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Name of Fund: CRF - PUC Spcl Fn Allocation-Consumer Advocacy

Legal Authority: 269-33

Fund Type (MOF): B

Approp. Acct. No. S-303-R

**Intended Purpose:** To fund the operations of the Division of Consumer Advocacy.

**Current Program Activities:** To represent, advance and protect the interests of consumers of regulated utility and transportation services. Specifically: utility and transportation company requests to increase rates, service reliability investigations, energy utility integrated resource plans, capital improvement projects for utilities, promote effective competition and consumer protection through contested cases and rule making proceedings regarding telecommunications and electric power infrastructure development.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	2,765,749	3,101,511
Beginning Encumbrances		787,990
Revenues	2,569,928	
Expenditures	1,917,804	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(652)	
JM3200 12/31/04	(1,115)	
JM4919 3/31/05	(1,198)	
JM6963 6/30/05	(1,425)	
JS2851 12/17/04	(155,986)	
JS5252 5/12/05	(155,986)	
Net Total Transfers	(316,362)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	3,101,511	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Compliance Resolution Fund Cable Television

Legal Authority: 440G

Fund Type (MOF): B

Approp. Acct. No. S-302-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	2,692,588	3,262,744
Beginning Encumbrances		216,036
Revenues	1,490,942	
Expenditures	612,453	
Transfers (List Each Transfer by JV# and Date)		
JM1534 9/30/04	(596)	
JM3200 12/31/04	(35,138)	
JM4919 3/31/05	(1,124)	
JM6963 6/30/05	(37,496)	
JS2851 12/17/04	(116,990)	
JS5252 5/12/05	(116,989)	
Net Total Transfers	(308,333)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	3,262,744	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		



**Intended Purpose/Objective:**

To foster the development of responsive and reliable cable communications services for the people of Hawaii, by promoting the public interest in authorizations by the State regarding cable franchises; regulate basic cable rates and service to ensure compliance with applicable State and Federal law; expand and operate the statewide Institutional Network; and continue the availability of Public, Education and Government cable access.

**Current Program Activities:**

- Issues and enforces franchises for cable communications services.
- Promulgates and enforces rules and regulations governing the practices, procedures, quality and quantity of services including rates, and customer and technical operations of cable communications companies.
- Plans and encourages the development of new, improved and more effective utilization of cable communications services, equipment, and facilities including the State's Institutional Network (INET), and public, educational, and government (PEG) access resources and facilities, which will enhance communications services available to Hawaii's citizens.

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Name of Fund: Temporary Deposits

Legal Authority: \_\_\_\_\_

Fund Type (MOF): T

Approp. Acct. No. T-902-R

**Intended Purpose:** The fund was established by DCCA to account for temporary deposits. Moneys deposited in this fund are later transferred to the appropriate fund.

**Current Program Activities:** See above information.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	1,160,953	1,683,058
Beginning Encumbrances		10,575
Revenues	1,647,077	
Expenditures	1,124,972	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	1,683,058	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Service Contact Provider's Fin Sec Dep

Legal Authority: 481X-4, HRS

Fund Type (MOF): T

Approp. Acct. No. T-927-R

**Intended Purpose:** The fund will hold financial security deposits placed in trust with the Commissioner by service contract providers for all service contracts issued and in force in this State.

**Current Program Activities:** See above information.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	25,000	25,000
Beginning Encumbrances		
Revenues		
Expenditures		
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	25,000	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

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Name of Fund: Condo Dispute Resolution Pilot Prog & Post-Bill Passage Educational Activities

Legal Authority: Act 164, SLH 2004

Fund Type (MOF): Trust (T)

Approp. Acct. No. T-924-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		170,857
Beginning Encumbrances		3,263
Revenues		
Expenditures	4,143	
Transfers (List Each Transfer by JV# and Date)		
JT0293 9/21/04	175,000	
Net Total Transfers	175,000	
Amount Derived from Bond Proceeds		
Ending Cash Balance	170,857	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:**

For fiscal years 2004-2005 the sum of \$175,000 was appropriated from the condominium management education fund to defray the cost of the condominium dispute resolution program (\$25,000) and to conduct post-bill recodification educational activities (\$150,000) (Act 164, SLH 2004).

**Current Program Activities:**

**Condominium Dispute Resolution Program**

Pursuant to Act 164, SLH 2004, the Condominium Dispute Resolution Program continues as it was created as a two-year pilot program (fiscal years 2005-2006).

**Post-Bill Recodification Educational Activities**

Commission with the assistance of a Hawaii Licensed Attorney with expertise in condominium development and governance will be providing directors of condominium boards, managing agents, and real estate licensees a summary of the recodification law as it applies to each respective group. The summary will be disseminated to the respective groups by means of:

- posting on the Commission's website,
- reference articles to be included in its Condominium Bulletin (several copies are mailed to the approximately 1,500 registered associations impacting approximately 138,000 apartment owners);
- Commission's condominium specialists along with the retained attorney will be at select sites presenting educational sessions in the community; some public access media coverage is being investigated; and
- Condominium Education Funds will be used to directly subsidize educational sessions in the community.

Commission with the same attorney, will be meeting with focus groups in developing the new developer's public report (basically a disclosure document) to be used in the sale of new and converted condominium projects. Instructional sessions about the new developer's public report will be conducted with developers and their attorneys as well as real estate licensees.

Current Post-bill educational activities are funded through the Condominium Management Education Fund.

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Name of Fund: OCP Restitution Fund

Legal Authority: 487:14(c), HRS

Fund Type (MOF): T

Approp. Acct. No. T-920-R

**Intended Purpose:** To hold and disburse moneys received or recovered by the Office of Consumer Protection which are due to consumers as restitution.

**Current Program Activities:** We are continuing to collect and distribute restitution payments from this account pursuant to appropriate court orders and judgment.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	108,721	147,121
Beginning Encumbrances		
Revenues	42,400	
Expenditures	4,000	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	147,121	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005

Prepared by: Kay M. Okimoto

Phone: 586-2831

Name of Fund: Real Estate Appraisers

Legal Authority: Chapter 466K, HRS; Title 16, §114; HAR

Fund Type (MOF): T

Approp. Acct. No. T-919-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	4,805	5,155
Beginning Encumbrances		
Revenues	1,675	
Expenditures	1,325	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	5,155	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:**

The Legislature finds that the regulation of real estate appraisers is reasonably necessary to protect consumers. The Legislature further finds that 12 United States Code §3301 et seq. requires that real estate appraisals utilized in connection with federally related transactions be performed by individuals who are licensed or certified appraisers. The purposes of this chapter are to implement the requirements of 12 United States Code Sec §3301 et seq. and to require that all real estate appraisals be performed by licensed or certified appraisers. The requirements of this chapter do not apply to any real estate appraiser employed by any county for purposes of valuing real property for ad valorem taxation.

**Current Program Activities:** In addition to any other powers and duties authorized by law, the director shall have the following powers and duties:

1. To grant permission to practice as a certified real estate appraiser in this State pursuant to this chapter and 12 United States Code §3301 et seq. and the rules and regulations adopted pursuant thereto;
2. To adopt, amend, or repeal rules as the director finds necessary to effectuate fully this chapter and 12 United States Code §3301 et seq.;
3. To enforce this chapter and 12 United States Code §3301 et seq. and rules and regulations adopted pursuant thereto;
4. To discipline a certified real estate appraiser for any cause prescribed by this chapter or 12 United States Code §3301 et seq. for any violation of the rules and regulations and refuse to grant a person permission to practice as a certified real estate appraiser for any cause that would be grounds for disciplining a certified real estate appraiser;
5. To act as the designated representative of this State to implement 12 United States Code §3301 et seq.; and
6. To appoint an advisory committee to assist with the implementation of this chapter and 12 United States Code §3301 et seq. and the rules and regulations adopted pursuant thereto.



**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Condominium Management Education Fund

Legal Authority: 514A-40(c), 131, 132, 133, HRS

Fund Type (MOF): T

Approp. Acct. No. T-918-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	818,459	773,220
Beginning Encumbrances		20,010
Revenues	453,550	
Expenditures	323,789	
Transfers (List Each Transfer by JV# and Date)		
JT0293 9/21/04	(175,000)	
Net Total Transfers	(175,000)	
Amount Derived from Bond Proceeds		
Ending Cash Balance	773,220	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:** As stated in §514A-131, HRS, the Condominium Management Education Trust Fund is intended to finance or promote: "(1) Education and research in the field of condominium management, condominium registration, and real estate for the benefit of the public and those required to be registered under this chapter; (2) The improvement and more efficient administration of condominium associations; (3) Expedient and inexpensive procedures for resolving condominium association disputes."

**Current Program Activities:**

Funding of Exempt Positions

- Provide funding for Condominium Specialists and Clerical positions, who service the programs below.

Information, Advice and Referral

- Respond to inquiries from the public, consumers, condominium owners, board of directors, condominium managing agents, real estate licensees, attorneys, educators, government officials and others via telephone, office walk-ins, seminars, speakerships written inquiries and applications and the website. FY05 included 8,064 telephone inquiries, 1,473 walk-in inquiries, 1,812 e-mail inquiries, 7,027 written inquiries and applications, and 679,159 website inquiries (includes both real estate and condominium inquiries).
- Administer condominium website.
- Administer condominium reference library program through State Libraries, other venues and in-house, providing publications and information to condominium owners and the public.
- Administer and provide information, as required under the Uniform Information Practices Act.
- Administer and maintain a public information self-help area in the office for walk-in traffic, which includes public information documents, educational materials and reference materials for public review.
- Arrange and conduct Condominium Specialists of the Day at various neighbor island sites.
- Study the feasibility of finding other means of providing access to condominium public information through computer discs or compact discs, State Libraries, webpage, etc.

Educational Research and Informational Materials

- Research, develop, publish and distribute quarterly condominium bulletin to registered condominium associations and condominium managing agents, government officials, State Libraries and others in related areas.
- Research, develop, publish and distribute stand-alone chapters (brochures) for the Condominium Board of Directors Guide to registered condominium associations, condominium managing agents, government officials, State Libraries and others in related areas.
- Print and distribute information and educational materials to new condominium associations and new condominium managing agents start-up kits.
- Research, develop and submit various articles for media publication.
- Develop and maintain website on the internet for dissemination of information, forms, publications, etc. for developers, associations, CMA's, condominium owners, and other interested parties.
- Print and distribute amended Chapter 514A to all registered condominium associations and condominium managing agents.
- Update, print and distribute updated Condominium Association Reserves Guide.
- Recodification of Chapter 514A, HRS: fund an attorney position; research and develop position drafts; present, exchange, discuss, and interact with the condominium community including developers; develop and submit progress reports to the Legislature; develop and submit proposal to Governor and Legislature; work with the Legislature for passage and Governor for approval; provide for education program to the condominium community.

Rulemaking

- Research, develop and initiate rulemaking process for Chapter 107, HAR, including public workshops with those affected.

- Research, present, and receive recommendations for amendments to Chapter 107, HAR, and discuss and receive comments at the monthly Condominium Review Committee meetings with the condominium community.
- Research, study, and make recommendations concerning fees for Chapter 53, HAR, and assist the Professional and Vocational Licensing Division in the rulemaking process.

#### Mediation of Governance and Management Problems

- Administer contracts and provide funding for alternative dispute resolution through mediation, through the Neighborhood Justice Center and the Mediation Services of Maui.
- Secure mediation information and develop report to the Legislature and Governor.
- Continue to seek other mediation service vendors.
- Coordinate and administer joint complaint/mediation program with the Regulated Industries Complaints Office including funding of mediations.
- Research, development, publication, and distribution of brochure on dispute resolution alternatives.
- The Condominium Dispute Resolution Pilot Program, which the State Office of Administrative Hearings (OAH), Department of Commerce and Consumer Affairs will conduct over the next two years. As part of the program, OAH will hold administrative hearings for certain types of condominium disputes and issue a report to the legislature.

#### Arbitration of Condominium Problems

- Administer program through American Arbitration Association and other arbitration organizations.

#### Condominium Project Registration and Public Reports

- Administer registration of new condominium projects, review of documents, owner-occupants reservation procedures, and public reports, including records management.
- Administer consultant contracts and the review of project documents and public reports.
- Administer public review of condominium project documents and public reports, including requests for copies.
- Conduct periodic meetings and workshops with the condominium consultants, developers and attorneys.

#### Administer Condominium Review Committee

- Administer and conduct monthly meetings of the Condominium Review Committee, standing committee of the Commission, including meetings at various neighbor island sites.
- Administration includes agenda, distribution of materials, room and equipment arrangements, receipt of testimony, minutes, Committee Reports, post-meeting responsibilities.
- Conduct and administer periodic educational symposiums.

#### Administer Seminars, Workshops and Meetings

- Research, develop and conduct condominium seminars, workshops and special meetings with those in the condominium community.
- Administer seminar subsidy program, including contract administration.

#### Interactive Educational and Research Participation

- Educational speaker to organizations, government entities and others.
- Participate, exchange and network with local, state, national and international organizations and other governmental entities.
- Provide briefings to Legislators, testify on legislative bills and participate in other legislative matters.
- Research and report to the Legislature annually on condominium programs, budget and mediation programs.
- Research, coordinate, and implement Recodification Plan for Chapter 514A, HRS.

DCCA Non-General Fund Information - Condominium Management Education Fund

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#### Administration of Condominium Association, Condominium Managing Agent Registrations, and Condominium Hotel Operators.

- Administer registration and biennial re-registration of condominium associations, condominium managing agents and condominium hotel operators, including applications, review/approval process and records management.
- Conduct periodic workshops and meetings with registrants.

#### Administration of Budget and Biennial Plans

- Development and approval of Condominium Management Education Trust Fund budget.
- Administration of budget, investment of funds and any CPA audits.

- Research, development and submission of information and reports required by the Department, Budget and Finance, Governor and the Legislature.
- Research, development, approval and administration of the Biennial Education and Research Plan.

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Insurance Commissioner's Education Training Fund

Legal Authority: 431:2-214, HRS: Act 348, 1987 SLH

Fund Type (MOF): T

Approp. Acct. No. T-917-R

**Intended Purpose:** This fund is used for the education and training of Insurance Division staff and personnel, and to pay for the cost of consumer education and information.

**Current Program Activities:** Reimburse staff and personnel for various education and training expenses, including insurance and computer courses, conferences, and seminars. Published annually, an insurer's automobile insurance premium comparison and the Report of the Insurance Commissioner for consumer information. Presentations of insurance information to neighbor island consumers. Purchase of books and periodicals for staff education and training.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	100,409	211,848
Beginning Encumbrances		9,649
Revenues	201,207	
Expenditures	89,768	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	211,848	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005

Prepared by: Kay M. Okimoto

Phone: 586-2831

Name of Fund: Premium Taxes Paid Pending Appeal

Legal Authority: 431:7-202, HRS; 431:7-207, HRS

Fund Type (MOF): T

Approp. Acct. No. T-916-R

**Intended Purpose:** Fund established to deposit premium taxes paid under protest. Initially, foreign insurers protested the preferential rates for domestic insurers. Act 236, SLH 1992, amended the law to provide uniform premium tax rates for all insurers and a tax credit against premium tax. Subsequently, foreign insurers protested tax payments arguing the credit gave domestic insurers preferential treatment.

**Current Program Activities:** Preferential rates protest suit is now settled with all insurers. Also, settled the suit on tax credit preferential treatment. Current activity in the Fund is from insurers protesting their tax payments. However, if no new suit is filed within thirty days after deposit of the protect tax payments, these payments will be transferred to the General Fund.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance		-
Beginning Encumbrances		
Revenues	3289	
Expenditures	3289	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	-	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: State Certified Motor Vehicle Arbitration Fund

Legal Authority: HRS 481I

Fund Type (MOF): T

Approp. Acct. No. T-915-R

**Intended Purpose:** Administration of the State Certified Motor Vehicle Arbitration Program (Lemon Law) created pursuant to Chapter 481I, Hawaii Revised Statutes.

**Current Program Activities:** Implementation and administration of the State Certified Arbitration Program (Lemon Law) created pursuant to Chapter 481I, HRS.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	134,279	134,547
Beginning Encumbrances		1,166
Revenues	12,225	
Expenditures	11,957	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	134,547	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Patient's Compensation Fund  
Legal Authority: Act 232/84; Act 219, 1976  
Fund Type (MOF): T  
Approp. Acct. No. T-912-R

**Intended Purpose:** In 1976 this fund was established to provide doctors medical malpractice insurance for coverage in excess of their underlying policy from a commercial insurer.

**Current Program Activities:** The claims against the Fund exceed the available fund assets and as a result, the authority for this Fund, section 671, was repealed by Act 232, SLH 1984. The Act required the unpaid claims to be carried forward from year to year for possible payment as the Fund acquires additional assets for prorated distribution.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	2,664,567	2,736,992
Beginning Encumbrances		
Revenues	72,425	
Expenditures		
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	2,736,992	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		



**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Travel Agency Education Fund  
Legal Authority: Chapter 468K, HRS  
Fund Type (MOF): T  
Approp. Acct. No. T-911-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	21,449	21,449
Beginning Encumbrances		
Revenues		
Expenditures		
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	21,449	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:** (L 1991, c 285, section 5.)

The department shall use the amounts available in the Education Fund to alert all current licensees under chapter 468K, Hawaii Revised Statutes, to the requirements of this Act and to inform the public about the rights and remedies provided in this Act. The fund may also be used to pay for any claim or expense of the Recovery Fund in the event the Recovery Fund becomes exhausted. Any amount that remains after payment of educational expenses or for recovery fund claims and expenses shall become part of the Compliance Resolution Fund for use in travel agency-related cases.

**Current Program Activities:**

Funds remaining in the Travel Agency Education Fund are being held in case disbursements are needed for travel agency-related case claimants against the Travel Agency Recovery Fund. There are a few outstanding lawsuits against the Travel Agency Recovery Fund, but Gary Lee, Esq., is not anticipating any payments at this time.

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Travel Agency Recovery Fund  
Legal Authority: Chapter 468K, HRS  
Fund Type (MOF): T  
Approp. Acct. No. T-910-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	22	22
Beginning Encumbrances		
Revenues		
Expenditures		
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	22	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:**

§468K-3 Travel Agency Recovery Fund; use of funds; fees. There shall be established and maintained a Travel Agency Recovery Fund from which any person aggrieved by an act, omission of material fact, representation, transaction, or conduct of a licensee, that is in violation of this chapter or its adopted rules, or which constitutes an unfair or deceptive act or practice in violation of section 480-2, may recover, by order of a court of competent jurisdiction within the State, an amount of not more than \$8,000 for damages sustained as a result of the act, representation, transaction, or conduct of each licensee. Recovery from the fund shall be limited to the actual damages suffered by the claimant, including court costs and fees as set by law, and reasonable attorneys' fees as determined by the court.

**Current Program Activities:**

In 1991, Act 285, SLH, limited access to the fund to claims arising from travel services purchased prior to October 1, 1991. All funds remaining in the travel agency recovery fund after the resolution of all civil proceedings commenced prior to October 1, 1993, if any, shall become part of the compliance resolution fund for use in travel agency-related cases. There are a few outstanding lawsuits against the Travel Agency Recovery Fund, but Gary Lee, Esq., is not anticipating any payments from the fund to the complainants at this time.

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Contractors' Education Fund  
Legal Authority: 444-29, HRS  
Fund Type (MOF): T  
Approp. Acct. No. T-909-R

**Intended Purpose:** To be used for consuming public, licensees, Board members and staff; to be used for publications, media exposure, participation in national association meetings, classes and other educational purpose the Board deems necessary.

**Current Program Activities:** Funded activities include: National Association dues; attendance by Executive Officer and Board members at national association meetings; registration fees for attendance at national meetings, travel expense for neighbor island Board members to attend special Board meetings on Oahu; publication of educational materials; and for personnel costs for overtime pay when workload results from contractor's license board activities.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	97,875	138,595
Beginning Encumbrances		475
Revenues	50,561	
Expenditures	9,841	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	138,595	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Contractor's Recovery Fund  
Legal Authority: 444-26, HRS  
Fund Type (MOF): T  
Approp. Acct. No. T-908-R

**Intended Purpose:** Provide fund from which a person injured by an act, representation, transaction, or conduct of a duly licensed contractor may recover by an order of the court, an amount of not more than \$12,500 per contract or \$25,000 per contractor.

**Current Program Activities:** Current program activities include paying consumers who have prevailed against the fund and paying of attorney-consultant's fees.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	412,388	523,043
Beginning Encumbrances		
Revenues	177,001	
Expenditures	66,346	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	523,043	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005  
Prepared by: Kay M. Okimoto  
Phone: 586-2831

Name of Fund: Real Estate Education Fund  
Legal Authority: 467-11-19, HRS  
Fund Type (MOF): T  
Approp. Acct. No. T-905-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	698,333	1,385,010
Beginning Encumbrances		79,209
Revenues	1,011,107	
Expenditures	324,430	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	1,385,010	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:** As stated in §467-19(b), HRS, the Real Estate Education Trust Fund is intended to "promote the advancement of education and research in the field of real estate for the benefit of the public and those licensed under the provisions of this chapter and the improvement and more efficient administration of the real estate industry."

**Current Program Activities:**

Funding of Exempt Positions

- Provide funding for Real Estate Specialists and Clerical positions, who administer the programs below.

Information, Advice and Referral

- Respond to inquiries from the public, consumers, real estate licensees, government officials, attorneys, educators, and others via telephone, office walk-ins, written inquiries and applications, and website, providing information, advice and referral. FY05 included 19,738 telephone inquiries, 904 walk-ins, 7,499 e-mail inquiries, 17,574 written inquiries and applications, and 679,159 website inquiries (includes both real estate and condominium inquiries).
- Administer real estate website.
- Administer and provide information as required under the Uniform Information Practices Act.
- Administer and maintain a public information self-help area in the office for walk-in traffic, which includes public information documents, educational materials, and reference materials for public review.
- Arrange and conduct Real Estate Specialists of the Day at neighbor island sites.

Educational and Informational Materials

- Research, develop, publish and distribute the quarterly real estate bulletin to all real estate licensees, government officials, State Libraries, and others in related areas.
- Printing and distribution of Chapter 467, HRS, as amended to all principal brokers and brokers-in-charge.
- School Files, a quarterly bulletin to real estate prelicense schools, prelicense and continuing education instructors and continuing education providers which provides current information on instruction, education, curriculum, testing, application fees and procedures.
- Various publications and informational sheets for consumers and real estate licensees.
- Research, develop and submit articles for the media.
- Research and report on alternative delivery of educational materials.
- Develop and maintain website on the internet for dissemination of information, publications, forms, agendas, etc. to licensees and the general public.
- Distribute new salesperson and broker start-up kits, consisting of information and educational materials.

Administer Education Review Committee, Laws and Rules Review Committee and Real Estate Commission

- Hold monthly meetings for the two standing committees and the Commission with some meetings at neighbor island sites.
- Administration of the committee meetings, including agenda, distribution materials, room and equipment arrangements, oral testifiers, minutes, committee reports, post-meeting responsibilities, etc.
- Conduct and administer periodic symposiums.
- Administration of Education Evaluation Task Force Subcommittee.

Research, develop or update curriculum and instructional materials for courses and administer courses

- Continuing education core course.
- Prelicensing real estate broker course.
- Prelicensing real estate salesperson course.



#### Research, develop and conduct seminars, workshops and meetings

- Instructor development workshops, course briefings and other meetings for real estate educators.
- Real estate seminars for real estate licensees.

#### Administer Real Estate Examination Program

- Administer contract with vendor for daily computerized exams.
- Conduct periodic test development sessions, monitor exam sites, provide annual laws and rules update and handle complaints and problems.
- Administer participation in the ARELLO examination and certification program.

#### Interactive Educational and Research Participation

- Educational speaker to organizations, government entities and others.
- Participate, exchange and network with local, state, national and international organizations and other government entities.
- Provide briefings to legislators, testify on legislative bills, and participate in other legislative requests.
- Research, develop, print and distribute to Governor and Legislature the Real Estate Commission's Annual Report as required by Section 467-4, HRS.
- Research, develop and conduct studies and reports to the Legislature or Governor.

#### Administration of Real Estate Schools, Providers, Instructors and Courses

- Administration of applications, review/approval process, records, reregistration and recertification for prelicensing education and continuing education.
- Administer evaluation system and instructor examinations.
- Research and report on alternative delivery of education programs.
- Administer Continuing Education Advisory Panel.
- Conduct periodic workshops/meetings.
- Administer prelicensing education equivalency program.

#### Administration of Budget and Biennial Plans

- Development and approval of Real Estate Education Fund budget.
- Administration of budget, investment of funds and any CPA audit.
- Research, development and submission of information and reports required by the Department, Budget and Finance, Governor and the Legislature.
- Development, approval and administration of the Biennial Education and Research Plan.

#### Rulemaking

- Research, develop and initiate rulemaking process, including public workshops with those affected.
- Research, present, and receive recommendations for amendments to Chapter 107, HAR, and discuss and receive comments on any recommendations at the monthly meetings from the real estate community.
- Research, develop, and initiate rulemaking process for Chapter 107, HAR, including holding public workshops with those affected.
- Research, study and make recommendations concerning fees for Chapter 53, HAR, and assist the Professional and Vocational Licensing Division in the rulemaking process.

#### Administration of Real Estate Licensing

- Assist in administration of real estate licensing, renewals, and records administration.
- Conduct informational workshops concerning licensing and renewals.
- Administer all joint programs with other Divisions and Departments.
- Administer program with the ARELLO National Disciplinary Action Data Bank.
- Administer HUD/ARELLO Fair Housing Agreement.

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005

Prepared by: Kay M. Okimoto

Phone: 586-2831

Name of Fund: Real Estate Recovery Fund

Legal Authority: 467-16-19, 21-24, HRS

Fund Type (MOF): T

Approp. Acct. No. T-904-R

**Intended Purpose:** See attached.

**Current Program Activities:** See attached.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	376,959	703,255
Beginning Encumbrances		4,709
Revenues	379,109	
Expenditures	52,813	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	703,255	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		

**Intended Purpose:**

As stated in §467-16(a), HRS, the Real Estate Recovery Trust Fund is intended to provide recovery to persons "aggrieved by an act, representation, transaction, or conduct of a duly licensed real estate broker, or real estate salesperson, upon the grounds of fraud, misrepresentation, or deceit". The statute establishes limits of \$25,000 per transaction and \$50,000 per licensee.

**Current Program Activities:**

- Defend and administer claims through contracted attorneys who represent the Commission in actions for claims, including administering contracts and payment for services.
- Provide information, advice, and referral on all inquiries concerning the Real Estate Recovery Trust Fund and claims.
- Receive, process, and act on complaint notices, court filed motions, subpoenas, settlement claims, and court ordered claims including record keeping and monitoring the complaints through the courts.
- Arrange and assist in presentation of settlement claims, court ordered claims, and other issues to the Commission at its monthly scheduled meetings or emergency meeting.
- Administer budget, including development and approval of biennium budget, record keeping, any CPA audit, investment of funds, development of statistical and other periodic reports to licensees, Budget and Finance, Governor, and the Legislature.
- Study and develop case summaries for educational purposes.
- Initiate and develop collection program, continue to administer the State Tax Intercept Program with the Department of Taxation and DAGS.
- Research, develop, print, and distribute a simple plain language brochure for claimants.
- Provide funding for Clerical position, who services the program.

**Report on Non-General Fund Information**  
for Submittal to the 2006 Legislature

Department: COMMERCE AND CONSUMER AFFAIRS

Date: November 25, 2005

Prepared by: Kay M. Okimoto

Phone: 586-2831

Name of Fund: Captive Insurance Companies Loc Escrow

Legal Authority: 431:19-101.7 & 431:19-104, HRS

Fund Type (MOF): T

Approp. Acct. No. T-931-R

**Intended Purpose:** The fund shall be used to deposit Letters of Credit (LOC) held in favor of the Insurance Commissioner that are drawn upon.

**Current Program Activities:** The Commissioner may cash the LOC in such circumstances as when a captive company is in an adverse financial condition, dissolution of its business, revocation or suspension of its license. The cash from the LOC is used to cover liabilities the captive company may not pay, which may include paying claims, creditors, fees and fines.

Financial Data		
	FY 2005	FY 2006
Beginning Cash Balance	476,891	415
Beginning Encumbrances		
Revenues	5,608	
Expenditures	482,084	
Transfers (List Each Transfer by JV# and Date)		
Net Total Transfers		
Amount Derived from Bond Proceeds		
Ending Cash Balance	415	
Amount Required for Bond Covenants as of 7/1/05		
Amount held in Certificates of Deposit, Escrow		
Accounts, or Other Investments as of 7/1/05		